

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL )  
ELECTRIC COOPERATIVE CORPORATION TO )  
BORROW AN ADDITIONAL SUM OF \$2,150,000 )  
FROM THE UNITED STATES OF AMERICA AND TO )  
EXECUTE A NOTE FOR SAID AMOUNT AND TO )  
CONCURRENTLY BORROW FROM THE NATIONAL )  
BANK FOR COOPERATIVES THE SUM OF \$921,000 )  
AND TO EXECUTE ITS NOTE THEREFOR TO BE )  
SECURED BY AN EXISTING COMMON MORTGAGE )  
HERETOFORE EXECUTED AND FOR A CERTIFICATE )  
OF CONVENIENCE AND NECESSITY AUTHORIZING )  
IT TO CONSTRUCT AND MAKE ADDITIONAL )  
IMPROVEMENTS AND EXTENSIONS TO ITS )  
EXISTING SYSTEM )

CASE NO. 89-138

O R D E R

IT IS ORDERED that Taylor County Rural Electric Cooperative Corporation ("Taylor County") shall file the original and six copies of the following information with this Commission, with a copy to all parties of record within 7 days from the date of this Order. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide a detailed description of any other financing options that were considered in securing the National Bank for Cooperatives ("NBC") loan. This response should include the reason(s) that NBC financing was selected over other options as well as the results of any studies conducted which support the use of NBC financing.

2. Provide a copy of the loan agreement between Taylor County and NBC.

3. Indicate what consideration Taylor County has given to the various loan programs available through NBC. Describe the loan programs available to Taylor County through NBC. Explain which option Taylor County anticipates selecting at this time.

4. Provide the current interest rates on both NBC fixed rate and variable rate loans.

5. Provide the additional debt service requirements associated with the Rural Electrification Administration ("REA") loan and the NBC loan.

6. Provide an amortization schedule of the proposed loan from NBC using the current interest rates for variable and fixed loans.

7. Provide an explanation of whether Taylor County will be able to meet its increased debt service requirements with the revenues generated by its existing rates.

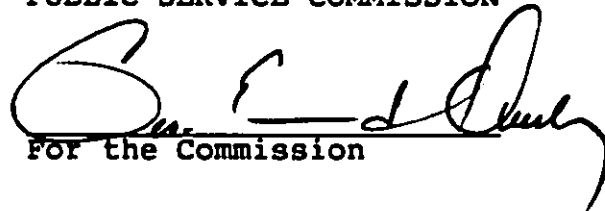
8. Provide documentation which indicates that the loans have been approved by the REA and NBC.

9. Provide a copy of the board of director's resolution referenced in section 12, page 5 of the application.

Done at Frankfort, Kentucky, this 16th day of June, 1989.

ATTEST:

PUBLIC SERVICE COMMISSION

  
For the Commission

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Executive Director